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DEPARTMENT OF STATE

Memorandum of Conversation

DATE: May 13, 1954

SUBJECT: Situation in Guatemala

PARTICIPANTS: The Honorable Joe Martin, Speaker of the House of Representatives
Ambassador João Carlos Muniz of Brazil
Mr. Holland, A A

COPIES TO: S - The Secretary
OSA - Mr. Atwood
MID - Mr. Burrows
AR - Mr. Jamison

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I told Mr. Martin that Mr. Dulles had asked Ambassador Muniz to undertake a very delicate and secret mission which would make it necessary for the Ambassador to be away from Washington on a date when he had planned to entertain the Speaker; that we had come to explain to the Speaker the occasion for the Ambassador's absence in order that he might appreciate the urgency for the cancellation of the engagement.

I told the Speaker that in the conflict between the forces of communism and the free world there were recurring points of frontal contact between the two forces such as those in Indo-China and Geneva at this time. I said that such a point of frontal contact existed today in Guatemala where the communist organization was undertaking to establish a satellite state.

I said that the Soviet recognized as we do also that if it can establish a puppet state in this hemisphere it would destroy the argument that communism can capture governments only where it is supported by the threat of the Red Army and would win a tremendous propaganda victory. Our assurances to states in Asia and in Europe that we would support them in their efforts to eliminate communism would be weakened because of our demonstrated inability to prevent the establishment of a communist puppet state in our own hemisphere.

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I said that evidence available to us indicated that there were still anti-communist elements in the Guatemalan Government but that they were being rapidly eliminated and that, in our judgment, these elements had now lost control of the situation and were now powerless to eliminate the communists from the Government even if they wanted to do so.

I said that under these circumstances we felt the time had come to invoke the Caracas resolution and to apply against Guatemala those sanctions which might be necessary to eliminate the communist penetration there. I said that Mr. Dulles did not want to undertake such an effort without first consulting with the Government of Brazil who with us carried the greatest responsibility for maintaining the peace of this hemisphere, that Ambassador Muniz had agreed to present the matter to his Government on an urgent basis and was leaving immediately.

The Speaker, of course, said that he understood the necessity for cancelling the engagement and expressed his appreciation to the Ambassador for his willingness to undertake this mission.

The Ambassador to my satisfaction said to the Speaker that we must recognize that the tie between Moscow and the movement in Guatemala could be established only by circumstantial evidence and that the decision must be political.

On the way back from the Capitol the Ambassador emphasized the urgency that we supply him with the most concrete evidence possible. He plans to leave on Sunday, May 16, and agrees that he will advise us by cable from Rio as soon as possible of the decision of his Government.

ARA:HFHolland:dwm

SOVIET COMMUNISM IN GUATEMALA

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SOVIET COMMUNISM IN GUATEMALA

I. THE SCOPE OF THE GUATEMALAN COMMUNIST PROBLEM

The political institutions of the Republic of Guatemala have progressively fallen, since President ARBENZ was inaugurated in 1951, under the effective though sometimes camouflaged control of the Partido Guatemalteco del Trabajo, the agent of the Soviet international Communist movement in that country, while the forces opposing the Communist advance are deteriorating so rapidly under government pressure that unless action is taken the establishment of the first Soviet-controlled "People's Democracy" type of State in the Western Hemisphere is in sight. This would be the first occasion that a Communist-controlled state had been established outside of the area adjacent to Soviet military power and would represent a breakthrough of Soviet aggression into the inner defenses of the democratic community.

As will be made clear in the evidence presented below, the Soviet-controlled Partido Guatemalteco del Trabajo has followed in Guatemala the classic Communist system of infiltration of key government agencies and establishing a network of interlocking political, labor and "mass" youth organizations through which a few carefully placed and well disciplined Communists can control the political activity of large groups of citizens.

The heart of the system is the Political Committee (i.e. Politburo) of the party, headed by José Manuel FORTUNY, the Secretary General of the PGT, who returned from a visit to Moscow in January of this year. Members of this Political Committee are in effective control of the "National Democratic Front", the formal alliance of all parties supporting President Arbenz; of the Confederación General de Trabajadores de Guatemala, the national labor federation; and of the National Peace Committee and the principal youths', students' and women's organizations.

While the Guatemalan Communists have not had the protection of Soviet military might provided in Eastern Europe and Asia, this has been substituted for by the protection and active support of the Arbenz Government. President Arbenz has repeatedly and publicly made clear his attachment to the Communist movement, referring to it in his latest annual report to the Guatemalan Congress on March 1, 1954, as "democratic" and "progressive" and stating that it would be "suicide" for his Administration to move against it.

Under his protection, the Communist leaders of the PGT have gained key positions in the National Agrarian Department and the Agrarian Committees which administer the Agrarian Reform Law of 1952, a law intended to transfer half of Guatemala's arable land to new occupants and owners and eventually radically to transform Guatemala's economic, social, and political structure. At the same time, the Arbenz Administration has facilitated the Communist infiltration of government-owned

information agencies with the result that the Guatemalan public is slowly but steadily having its mind molded by a broad stream of Communist propaganda. The mind of the next generation of Guatemalans is also being shaped by an infiltration of Communists, so favored by the government that some have been made officials of the Ministry of Education. The powerful national teachers union STEG is under the leadership of an avowed Communist, Rafael TISCHLER, who is currently promoting the teaching methods he observed during a trip to the USSR in the summer of 1953. As one of his first acts in 1951, President Arbenz appointed Alfonso SOLORZANO, a Communist formerly associated with Vicente LOMBARDO Toledano, the Mexican labor leader, as Manager of the Guatemalan Institute of Social Security (IGSS) and that wealthy government agency has remained a focal point of the Communist movement in Guatemala.

The favor of the current Administration and the Communist infiltration of government agencies has made available to the Communist PGT, government facilities in the form of free public buildings, government automobiles, government advertising, and government subsidies which have enabled it to carry out and increase its activities.

In the political sphere, with the support of the President, the Communist PGT has become the dominant political party in the coalition of leftist organizations supporting the Arbenz Administration.

Communist domination of the other parties has been established because of the fact that it has offered a positive and dynamic program while the other parties, having none of their own, have had to follow the Communist lead; because of the fact that the other parties are divided among and within themselves while the Communists maintain a tight discipline; and because of the fact that the Communists hold a disproportionately large representation in the "National Democratic Front" where four of the twelve seats are held by party members and at least four others by publicly-known Communist sympathizers.

The Political Committee of the PGT has thus established itself in firm control of key areas of the Guatemalan Government, of organized labor and the country's principal mass organizations, and of the political parties which support the Arbenz Administration, forging the whole into a single instrument to follow Moscow's will. To keep the party oriented to Soviet strategy, six of the eleven members of the party's Political Committee have travelled to Moscow as well as to other centers in the Soviet orbit. During the same time, key leaders in the labor movement, the youths', students', women's and other "mass organizations" have travelled in the Soviet orbit and returned to Guatemala better prepared to guide the Guatemalan Revolution into Soviet channels.

II. THE SOVIET APPARATUS IN GUATEMALA

1. The Guatemalan Communist Party. The Partido Guatemalteco del Trab[illegible] (PGT), which now has an estimated 3,000-4,000 card-carrying members, is a tightly organized conspiratorial group modelled on the Soviet Com[illegible] party of the Stalin era. The party was founded in secret in Septe[illegible] 1947, after preparatory indoctrination in the classic Marxist "study groups" which were established within the trade unions and leftist political parties after the 1944 Guatemalan Revolution. The party was technically illegal and remained more or less under cover through the rest of President Arévalo's Administration, until March 15, 1951.

When President Arbenz took office on March 15, 1951, the Communist party rapidly came into the open and occupied positions of influence. On March 23, Solorzano was appointed Manager of the Guatemalan Institute of Social Security (IGSS). On April 4, Fortuny for the first time publicly signed a manifesto "Secretary General of the Communist Party of Guatemala". In May, Louis SAILLANT, Secretary General of the International Communist World Federation of Trade Unions (WFTU) and Vincente LOMBARDO Toledano, Secretary General of the Confederación de Trabajadores de America Latina (CTAL) came to Guatemala to attend a transport workers congress and advised the Guatemalan labor movement to unite in a single federation. On June 21, the Communist party held its first public rally in a motion picture theater provided by the Government and with the attendance of Cabinet Ministers and other high officials. In October, the Guatemalan labor movement held a unity movement and established the Confederación General de Trabajadores de Guatemala (CGTG) as the single national labor federation and elected Victor Manuel GUTIERREZ, an avowed Communist, as its Secretary General at the head of an Executive Committee in which all of the key positions were held by Communists. Despite the openly political activities of the CGTG, it was duly registered by the Arbenz Administrative Department of Labor in disregard of the provision of Guatemalan Labor Code of 1947 which forbids political activity by labor unions.

In 1952, the Communist party made further advances. Returning from Moscow in January, the labor leader Gutierrez dissolved his Communist Partido Revolucionario Obrero de Guatemala (PROG) and joined Fortuny's Partido Comunista de Guatemala (PCG). On January 25, the Bucharest organ of the Cominform, "For a Lasting Peace, for a People's Democracy" published an article about the PCG, thus acknowledging it as the instrument of international Communism in Guatemala. During the period May 10 - June 17, the party played a leading role in the enactment of the Agrarian Reform Law which was steered through Congress by the Special Congressional Committee on Agrarian Reform headed by the Communist labor leader, Gutierroz, who is also a Deputy. The party then quickly infiltrated the Agrarian Reform machinery and used it as an instrument to gain members to expand

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the party in rural areas. The party, which has operated openly since Arbenz' coming to power, was now ready to become a "legal" party and a party Congress was held on December 11-14, 1952. The party name was changed to the Partido Guatemalteco del Trabajo (PGT) and it was registered on December 19 by the Director General of the Civil Registry despite Article 32 of Guatemala's 1945 Constitution which aimed at suppressing Nazi, Fascist and Communist organizations by prohibiting "political organizations of a foreign or international character".

With the status of a legal political party, the Communist PGT grew rapidly in numbers and influence in 1953-4. It was accepted as a member of the "Democratic Electoral Front" for the campaign leading up to the January 1953 Congressional elections and all of the parties supporting Arbenz united to present Fortuny as the "official" candidate for Deputy for Guatemala City and the Communist leader Carlos Manuel MELLECER as the candidate for Escuintla. According to the statement of Bernardo ALVARADO Monzon, PGT Secretary for Organization, at a party organization meeting in August 1953, the party doubled in members between December 1952 and August 1953. It has since expanded at a rapid rate. A daily Communist party newspaper, Tribuna Popular, began publication on a press furnished by the Government and aided by Government advertising and, according to independent Guatemalan newspapers, with a Government subsidy. The "Democratic Electoral Front" was transformed into the "National Democratic Front" and came under increasing Communist domination by adding the Communist-controlled national labor federation CGTG and the Communist-influenced national campesi[illegible]rganization CNCG to the Administration parties which originally comprised it. In November 1953, the Communist PGT showed its strength by running in municipal elections for the first time independently, and won four of six contests in which it entered candidates.

2. Soviet Control of the Guatemalan Communist Party. The Communist PGT has openly shown itself to be an instrument of Soviet policy by its undeviating adherence to Soviet policies in its tactics and propaganda in Guatemala. The links between the Soviet Communist hierarchy and the Guatemalan leadership are close and personal. Since the beginning of 1952, at least six of the eleven members of the Political Committee have visited Moscow, Fortuny himself going there on an extended visit from November 5, 1953 to January 12, 1954. While the comings and goings of international Communist emissaries in Guatemala are not a matter of public record, it was observed that when Mikhail SAMOILOV, Commercial Attaché of the USSR Embassy in Mexico visited Guatemala in 1953 he spent much of his time with Fortuny and other Guatemalan Communist leaders. The party leadership openly receives propaganda materials from the Soviet Embassy in Mexico and the Cominform journal "For a Lasting Peace For a Peoples Democracy", required reading for Communist leaders everywhere, is distributed in Guatemala in the Spanish edition. In addition, the party, as evidenced by its reprints in Tribuna Popular, receives Moscow's New Times and other principal Soviet foreign publications as well as TASS news service.

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With these orienting materials, the party has faithfully followed the Soviet line even when it was embarrassing. During the so-called "doctor's plot" incident in Moscow in 1953, the party press found itself in the position of intimating that Beria's security police had been negligent, on another day that the whole plot was a fabrication and Beria exonerated, and finally that Beria was a traitor.

3. Labor and Mass Organizations Under Soviet Guidance. With its limited membership, the Communist PGT has relied for the expansion of its influence in Guatemala's political life on its control of the labor movement and of the "mass" organizations, all of which are affiliated with and instructed by Soviet-controlled international Communist organizations. The principal of these organizations are:

a) The Confederación General de Trabajadores de Guatemala (CGTG), the national labor federation which controls Guatemala's organized labor. Its Secretary General is Victor Manuel Gutierrez, a member of the Political Committee of the PGT who visited Moscow in 1951-2 and in 1953; its first Vice Secretary General is José Alberto CARDOZA, also of the PGT Political Committee, and most of the rest of its key positions are PGT members, at least four of whom have been to Moscow. Since 1953, it has been formally affiliated with the WFTU, the international Soviet-controlled labor federation with headquarters in Vienna, and with Lombardo Toledano's CTAL in Mexico City. These two organizations send instructions to the leadership of the CGTG through correspondence, and Gutierrez and other leaders have attended WFTU and CTAL Congresses at which they found means to coordinate Guatemalan labor tactics with the strategy of world Communism.

b) The Confederación Nacional Campesina de Guatemala (CNCG), the national organization of peasants, is under strong Communist influence. The Secretary General of the CNCG, Leonardo CASTILLO Flores, has been active in pro-Communist causes. He attended the WFTU meeting in Vienna in October 1953, and spent the following month touring the Soviet Union. He is a Vice President of the Soviet-line National Peace Committee in Guatemala and has faithfully followed the Soviet line on international matters and the tactics of Soviet Communism in Guatemalan politics. The CNCG is also affiliated with the international Communist organizations WFTU and CTAL, from which it receives instructions and propaganda.

c) The National Peace Committee (Comité Nacional de la Paz) is a principal vehicle for spreading Soviet propaganda in Guatemala. Its President is Antonio CRUZ Franco but control is centered in the Secretary General, Mario SILVA Jonama, a member of the PGT

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Political Committee who spent some four months in the Soviet Union in 1952. Among its Vice Presidents are Luis CARDOZA y Aragon, former Guatemalan Minister to Moscow, Gutierrez and Castillo Flores, and Major Marco Antonio FRANCO, current President of the Guatemalan Congress who attended a World Peace Council meeting in Budapest, Hungary in June 1953. The National Peace Committee is an affiliate of the World Peace Council, an international Communist agency with headquarters in Prague, Czechoslovakia. In Guatemala, it has collected a claimed 120,000 signatures on the World Peace Council petition for negotiations among the great powers, including Communist China. During the Korean hostilities, it showed throughout Guatemala, in many cases in Government schools, the film "Bacteriological Warfare in Korea", a film purporting to "prove" that the United Nations Command employed bacteriological weapons.

d) The Alianza de la Juventud Democrática de Guatemala (AJDG), the most prominent youth organization in Guatemala, is completely under Communist control. Its Secretary General, Adalberto TORRES Rivas, son of a prominent Communist Nicaraguan exile living in Guatemala, attended the Bucharest Youth Festival in 1954 along with a large group of members of the AJDG Executive Committee. The group later toured in the Soviet Union and some went to Communist China. The AJDG is an affiliate of the international Communist youth organization, the World Federation of Democratic Youth (WFDU) with current headquarters in Bucharest, Rumania. The WFDU furnishes the Guatemalan organization with guidance material reflecting the Soviet line.

e) The Alianza Femenina Guatemalteca (AFG), the country's most prominent women's organization, is also a Communist front organization. Its Secretary General, Dora FRANCO y FRANCO, a Communist public school teacher, visited the Soviet Union and Communist China in 1952. It is affiliated with the International Federation of Democratic Women (IFDW), a Soviet-controlled organization with headquarters in Berlin.

f) The Frente Universitario Democrático (FUD) is the Communist front organization in the University of San Carlos, Guatemala's national university. It represents, however, a minority of the student body which is preponderantly anti-Communist in sentiment. The FUD sent a group of six or more of its officers to the Communist Students Congress in Warsaw in the summer of 1953 and some of these went on the tour of the Soviet Union that followed. Augusto CAZALI, the FUD Secretary General in 1952, spent the summer of that year in Bucharest, Rumania. The FUD is an affiliate of the Soviet-controlled International Students' Union (ISU) with headquarters at Prague.

III. COMMUNIST CONTROLS ON GUATEMALA'S POLITICAL INSTITUTIONS

(1) Communist Influence on the Government: Working under the guidance of Soviet policy and Communist doctrine, the PGT has used its control of the labor and mass organization and exploited President Arbenz' sympathetic attitude toward Communism to exert the determining influence over the policy of the Guatemalan Government and to establish control of key Guatemalan Government agencies. The numbers of publicly avowed Communists in key Government positions is enough to establish that the Communists are in effective control of the civil Administration, even though the Communists, in characteristic fashion, keep their membership lists secret and it is probable that many Government officials who have no visible ties with the PGT are secretly party members.

a) Influence on Policy Making

On the policy making level the Communist-controlled "National Democratic Front" is largely replacing the Cabinet as a policy-making body. For instance, the Communist leader Carlos Manuel PELLECER revealed in a speech on April 4 that the Guatemalan tactics at the Caracas Conference had been decided upon at a meeting attended by President Arbenz, Foreign Minister TORIELLO and the delegates of the "National Democratic Front". These delegates always include two Communists representing the PGT and two Communists for the CGTG, making four avowed Communists among the ten delegates present (one Administration party, the RN, does not occupy the eleventh and twelfth seats assigned to it on the Front due to an internal party struggle which has prevented the designation of delegates). In addition, the other delegates include such pro-Communists as Castillo Flores of the CNCG and Major Marco Antonio FRANCO, the Vice President of the National Peace Committee, representing the PAR with the result that the triumph of the Communist viewpoint on policy in the Front is assured.

With policy making in the hands of the Communist controlled "National Democratic Front", the argument that the Cabinet contains no Communists has no validity. The Cabinet has rapidly sunk into an executive and technical agency and for tactical reasons the Communists, who control policy, are at this stage content to allow "non-Communists" who serve their interests be presented to the world as Guatemala's Cabinet.

b) Agrarian Reform

On the operating levels of the Government, the Communist PGT has concentrated on gaining control of the agencies designed to implement the Agrarian Reform. Although the Chief of the National Agrarian Department is Major Alfonso MARTINEZ, a close non-Communist friend of the President's, his Deputy, Waldemar BARRIOS Klée, is a member of the Communist PGT, and Sra. Maria Jerez de FORTUNY, wife of the Communist leader, is the Department's

Secretary

Secretary General. The key Inspectors Corps of the Department, which is charged with settling Agrarian Reform cases on the ground, contains at least fifteen Communists, about two-thirds of the total.

In addition, the PGT, working through the CGTG and CNCG, exerts a strong influence on the Agrarian Reform through the Local and Departmental Agrarian Committees. Under the law three-fifths of the membership of the Local Agrarian Committee and two-thirds of the membership of the Departmental Agrarian Committee are drawn from the CGTG or CNCG and since the PGT is in effective control of the former and strongly influences the latter it is able to use these Committees to its purposes. An outbreak of violence in connection with the Agrarian Reform in the Department of Chiquimula on April 30 brought to light the fact that the Secretary General of the Local Agrarian Committee, the manager of the local branch of the National Agrarian Bank, the chief of police of the locality, and the National Agrarian Department Inspector for the Department were all PGT members.

c) Information Media

In the field of government information, the PGT has also been especially active. Carlos ALVARADO Jerez, Director General of Radio Broadcasting, is a party member and he is also manager of the Government station TGW. The programs of the Guatemalan Government contain a vitriolic Communist propaganda supporting the Soviet viewpoint and attacking the Western democracies. Similarly, the staff of the government newspaper Diario de Centro America is Communist infiltrated, including Medardo MEJIA, an editorial writer. This official newspaper carries Communist-line propaganda on domestic and international affairs, invariably supporting the Soviet viewpoint. For instance, it editorially charged the United Nations Command employed bacteriological warfare in Korea. The Office of Publicity and Propaganda of the Presidency also employs Communist personalities including Raúl LEIVA, a Guatemalan poet.

d) Education

In the field of public education, the national teachers union is under Communist domination with Rafael Tischler, a registered party member as its Secretary General. In July, 1953, he attended a Communist-sponsored teachers Congress in Vienna and went on to the USSR where he studied Soviet educational methods. Several of Guatemala's most prominent Communists, including such persons as Gutierrez, Silva Jonama and Dora Franco y Franco are public school teachers, and Humberto Ignacio ORTIZ, a Communist Deputy until 1953 was appointed the Director of a rural high school after his tenure expired. The head of the Publishing House of the Ministry of Public Education, Edelberto Torres, is a prominent Communist Nicaraguan exile.

e) Social Security

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The Guatemalan Institute of Social Security (IGSS), an autonomous and wealthy government agency administering the Social Security Law, is under Communist domination through Alfonso Solorzano, its Manager, and a group of subordinate Communist officials. Solorzano is a labor lawyer who was closely associated with Lombardo Toledano in Mexico during his pre-1944 exile and was a member of the Mexican Communist party there. In Guatemala, he is ostensibly an "independent" Communist, and does not publicly belong to Fortuny's PGT, but to the left-wing PRG party. However, proof of his dedication to the Soviet Communist cause is contained in the newspaper he edits, the Diario del Pueblo, official organ of the PRG. This newspaper follows the Soviet line on international affairs down to the use of such standard international Communist terminology as "Wall Street ruling circles", the "war for liberation in Vietnam", etc. Under Solorzano the IGSS maternity service is run by Laura MALLOL de Bermudez, a Chilean Communist. The subordinate employees of the IGSS are organized in a Communist union, the STIGSS, which is affiliated with the CGTG.

f) Other Government Agencies

Apart from their domination of the Agrarian Reform machinery, information agencies, and the social security system, and their influence in the educational system, the Communists have infiltrated other Government agencies in numbers which are difficult to determine since full lists of Government employees and PGT members are not available. However, it is apparent that Communists have gained important positions elsewhere in the Government. For instance, it has come to light that the Deputy Inspector General of Labor, Hugo BARRIOS Klée, is a PGT member and that the Labor Inspector in the Department of Santa Rosa, Humberto PINEDA, is also a party member (Barrios Klée is the brother of the Deputy Chief of the National Agrarian Department and is currently organizing a Communist-front "Festival of Youth and Friendship of Central America and the Caribbean" to take place in Guatemala in December 1954).

g) The Armed Forces and the Police

The Guatemalan Armed Forces and the police are not at present under direct Communist control. They are, however, under the effective control of Colonel Arbenz, who counts on their support in carrying out the Administration's pro-Communist policies. They have shown no disposition to oppose Communism actively. The Communists have made efforts to win over individual army officers with political ambitions. For instance, Lt. Col. Carlos PAZ Tejada, former Chief of the Armed Forces, and Major Marco Antonio Franco, now President of Congress, were sent to the Budapest meeting of the World Peace Council in June 1953. Captain Terencio GUILLEN, Governor of the Department of Escuintla, is President of the Departmental Peace Committee.

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The national police, although not under direct Communist control, has been useful to the PGT by suppressing the opposition. The Minister of the Interior, Augusto CHARNAUD McDonald, in a speech before the Communist-front "Second Continental Conference of Democratic Lawyers" in October 1953 expressed the Administration's criterion in the statement "To be anti-Communist is to be anti-Government". Following this precept the police have arrested or driven into exile in 1953-54 most of the principal opposition anti-Communist leaders in connection with alleged subversive activities. The Partido Unificación Anti-Comunista (PUA), the principal party opposed to the Arbenz regime, has seen successively its Secretary General, Luis VALLADARES y Aycinena, and its Acting Secretary General, José Luis BARRERA, flee the country, the former after being jailed for three months. The principal leaders of the Comité de Estudiantes Universitarios Anti-Comunista (CEUA), the students' anti-Communist organization, and of the Comité Cívico Nacional (CCN), the largest civic anti-Communist organization, were arrested or fled the country under police pressure in 1953. The anti-Communist movement has thus, to the benefit of the PGT, been effectively decapitated.

The police have been particularly useful to the Communists by protecting Communist acts of violence. Starting in December 1953 and lasting through April of this year, the Communist leader, Carlos Manuel Pellecer, spent most of his time touring rural areas urging farm workers to seize land whether or not it was subject to expropriation under the Agrarian Reform Law. When the farm workers followed his advice, there were naturally clashes with landowners and loyal farm workers and a number of people were killed. The police did nothing to protect property or lives. Similarly, masked hoodlums broke into Guatemala City anti-Communist radio stations, beat up the personnel and smashed equipment. In the latest of these incidents, a raid by five masked men on Radio International on the night of April 21, police stationed at nearby buildings did nothing to interfere.

(2) The Communist Position in Congress: The PGT holds four of the fifty-six seats in the Congress because it was not an open party in the 1950 elections and had been legally registered less than a month in the 1953 elections. The Party has already served notice that it will seek more seats in the next elections scheduled for the end of 1954 or beginning of 1955. Already the PGT's influence in the Legislative branch is actually much greater than the number of its Deputies indicates. Gutierrez the PGT labor leader, is Chairman of the Special Committee on Agrarian Reform and his associate, José Alberto Cardoza, is Chairman of the Special Committee on Labor Code Reform. These two Committees are of special importance since the Agrarian Reform and Labor Code are the foundation of political-economic relationships under the Arbenz government. Moreover, the PGT's domination of the "National Democratic Front" allows it to dominate the votes of the other Administration

parties,

portion, since once the Front has made a decision its component parties are obliged to follow it as a matter of discipline. This gives such a Communist coloration to the Administration majority that in March, 1953, the Guatemalan Congress was the only legislative body outside of the Soviet orbit known to have honored Stalin at the time of his death: it observed a minute of silence in his memory.

(3) The Judiciary Sympathetic to Communists: Until February, 1953, the Judiciary branch of the Guatemalan Government was relatively free of Communist influence, but at that time four of the five judges of the Supreme Court were removed by Congress with Arbenz' approval for questioning the constitutionality of a provision of the Agrarian Reform Law. The judges who replaced them were willing to acquiesce in the pro-Communist orientation of the Administration and non-Communist judges in the lower courts no longer dared to hand down significant rulings opposed to Communist designs. (For example, the courts avoided taking up the question of whether the registration of the PGT was constitutional.) The new President of the Supreme Court, Marcial MENDEZ Montenegro, headed the Guatemalan delegation to the 1953 "Second Continental Conference of Democratic Lawyers", a meeting held under the auspices of the International Association of Democratic Lawyers (IADL), a Soviet-controlled international lawyers association which, among other things, has endorsed the "case" that bacteriological warfare was used in Korea. Mendez Montenegro was also at the airport in Guatemala City in May, 1954, to welcome Obdulio BARTHE, the Paraguayan Communist leader who came to live in Guatemala after being released from a Paraguayan jail.

(4) Communist Sympathizers in the Administration Parties: The Communists' dominating influence on Guatemalan political institutions is further enhanced by the presence of Communist sympathizers in the leading positions of the political parties supporting Arbenz.

The Partido Acción Revolucionaria (PAR) is currently headed by Julio ESTRADA de la Hoz, a Communist-oriented intellectual whose Soviet leanings are such that he signed a message to the North Korean Government in June, 1952, while he was President of Congress, expressing sympathy with the Korean people and charging that they had been subjected to bacteriological warfare. His predecessor as PAR Secretary General was Francisco Fernando FERNANDEZ Foncea, who stated in October, 1953, in a speech in Congress that all of the Administration parties were destined to disappear into the great world Communist movement. Another prominent member of the PAR, Major Marco Antonio Franco, is the Vice President of the National Peace Committee and travelled to Budapest in June, 1953.

The Partido de la Revolución Guatemalteca (PRG) is headed by the Minister of the Interior, Augusto CHARNAUD McDonald, a non-Communist who has, however, been in political alliance with the Communists most of his political life. Among the most influential persons in the party are Abel CUENCA, once a member of the Salvadoran Communist party

and leader

and leader of the bloody 1932 Communist uprising in El Salvador, and Anfonso Solorzano, the "independent" Communist who heads the IGSS.

The Partido Renovación Nacional (RN) is currently divided into two factions, but in recent years its dominant figure has been Jaime DIAZ Rozzotto, Secretary General of the Presidency and a daily associate of President Arbenz. At a rally to celebrate the Korean Armistice last July 31, he greeted this truce as a victory of the people over imperialism and described it as another step toward the establishment of a Socialist world.

IV. GUATEMALAN COMMUNISM AND THE HEMISPHERE

In summary, then, it is apparent that the Soviet instrument in Guatemala, the Partido Guatemalteco del Trabajo, has already extended its influence over most of the country's principal political institutions. In Government, it exercises the decisive voice in policy making and its influence has resulted in an effort by the Guatemalan Government to disrupt the American community. To protect the PGT, the Arbenz Administration withdrew in April 1953 from the Organization of Central American States (ODECA) and, in the November 1953 meeting of the OAS Council and the Tenth International Conference of American States at Caracas in March 1954, it was alone among the American States in opposing measures to control international Communism. At the Caracas Conference, the international Communist orientation of Arbenz' foreign policy was such that Guatemala abstained on the vote on Panama's resolution against racial discrimination on the grounds that it used the phrase "as one of the means of combatting international Communism" and the Guatemalan delegation absented itself from the session at which the Conference at Cuba's proposal paid homage to the United Nations dead in Korea.

In domestic policies, the PGT has seized effective control of the Agrarian Reform machinery and other leading positions in the Executive branch, and the Congress. It controls the country's organized labor and has covered Guatemala with mass organizations, which Stalin once defined as the "conveyor belts" of Communism through which the party's policies and line are transmitted to the masses. Backed by this apparatus, the PGT has effectively established its supremacy over the political parties which support the Arbenz Government and used its influence over the Government to obtain the suppression of opposition to such a point that the anti-Communist forces of the country can no longer operate effectively within the Constitutional framework.

The Communist position in Guatemala contains both immediate and long-range dangers to the hemisphere. Constituting one of the immediate dangers is the fact that Guatemala is a refuge for Communists from other American states and a base for these Communists' activities hostile to their own countries. For instance, Guatemala is the center of the Communist-infiltrated Partido Democratico Revolucionario Hondureño (PDRH)

which

which has been opposed to the Honduran Government and of the Movimiento de Nicaraguenses Partidarios de la Democracia, a Communist dominated organisation directed against the present Nicaraguan Government. There are also leftist exile organizations of Salvadorans, Dominicans, etc. and prominent Latin American Communist exiles, the latest of whom is Obdulio Barthe of Paraguay who arrived in May 1954.

In addition to harboring Communist refugees, Guatemala offers haven to such disruptive elements as Carlos PADILLA, an officer of the terrorist Puerto Rican Nationalist Party, who after arriving in Guatemala stated that his release from arrest in Cuba had been accomplished through the intercession of the Guatemalan Ambassador there.

The role of Guatemala as a disrupting element in Central America is already becoming evident. Several of the persons who participated in the recent plot to assassinate President Somoza, such as Jorge RIVAS Montes and Francisco IBARRA Mayorga, had been exiles in Guatemala where they had enjoyed close relations with Guatemalan officials as members of the Caribbean Legion. Before the disturbances in Honduras broke out in May, 1954, the Guatemalan Government had assigned special consuls to Tela and Puerto Cortes in March and April and a Guatemalan military airplane landed at Puerto Cortes without clearance on May 1 to communicate with the Consul.

However, the long run danger of Guatemalan Communism is of greater proportions. The official party program is labelled "The Guatemalan Way" (El Camino Guatemalteco) and it is essentially an attempt to establish a Communist controlled state outside of the sphere of Soviet influence. This has never successfully been done before but probably nowhere else outside of areas within and neighboring on the Soviet sphere has international Communism come so near to having absolute control of a country's political institutions. If the "Guatemalan Way" of international Communism goes unchallenged by the democracies, it is an experiment which over the years can be repeated in other countries to the peril of the free world.

May 14, 1954

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Mr. Pearson:

S/S has their copies of this. Mr. Holland took directly in and discussed with Secretary this original. Secy authorized him to give Braz. Amb. excerpt marked "confidential" of longer memo, which Mr. Holland did on Saturday--with slight changes from original.

MKarydakis